

Millennium & Copthorne Hotels New Zealand Limited

Director Independence Policy

1. Introduction

The NZX Listing Rules require that the Board of Millennium & Copthorne Hotels New Zealand Limited (**MCK**) includes at least two Directors who are Independent Directors.

The Board will have discretion to determine if a Director is an Independent Director. Without limiting the Board's discretion, the purpose of this policy statement is to set out guidelines to assist the Board in considering if a Director is an Independent Director.

2. Independent Director definition

The NZX Listing Rules define an Independent Director as:

“a Director who is not an Employee of the Issuer and who has no Disqualifying Relationship.”

To have no Disqualifying Relationship, a Director must have no direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director's capacity to:

- bring an independent view to decisions in relation to MCK;
- act in the best interest of MCK; and
- represent the interests of MCK's financial product holders generally.

3. Information collected by the Board to assess independence

The Board will assess the independence of Directors upon appointment and re-election, and then annually, and will re-assess determinations of independence as soon as practicable when any new interests, positions, associations or relationships are disclosed by a Director.

Directors will update the Board at the earliest opportunity with any new information in relation to interests, positions, associations or relationships relevant to independence.

The Board will consider all relevant facts and circumstances when determining the independence of a Director, including those listed in the NZX Corporate Governance Code from time to time. Factors that may cause the Board to determine that a Director is not an Independent Director include that the Director:

- is currently, or was within the last three years, employed in an executive role by MCK, or any of its subsidiaries;
- is currently deriving, or within the last 12 months derived a substantial portion of his, her or their annual revenue from MCK;
- is currently, or was within the last 12 months, in a senior role in a provider of material professional services (other than an external auditor) to MCK or any of its subsidiaries;
- is currently, or was within the last three years, employed by the external auditor to MCK, or any of its subsidiaries;



- currently has, or did have within the last three years, a material business relationship (e.g., as a supplier or customer) with MCK or any of its subsidiaries;
- is a substantial product holder of MCK, or a senior manager of, or person otherwise associated with, a substantial product holder of MCK;
- is currently, or was within the last three years, in a material contractual relationship with MCK or any of its subsidiaries, other than as a director;
- has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above; or
- has been a director of MCK for a period of 12 years or more.

In certain circumstances, the Board, in its discretion, may consider a Director to be an Independent Director even though the Director meets one or more of the criteria specified above. If the Board does, in its discretion, determine that a Director is an Independent Director where one of the factors specified above applies to that Director, the Board will explain why it made that determination despite that factor applying and MCK must disclose that rationale in its annual report.

In each case the, the materiality of the interest, position, association or relationship must be assessed by the Board to determine whether that interest, position, association or relationship might reasonably influence, or could reasonably be perceived to influence, in a material way, the Director's capacity to:

- bring an independent view to decisions in relation to MCK;
- act in the best interest of MCK; and
- represent the interests of MCK's financial product holders generally.

4. **Disclosure**

MCK will disclose to shareholders in its annual report the Board's assessment of each Directors independence (and any change in status that occurred during the year).